

Message Text

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PAGE 01 KUWAIT 01215 071257Z
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-08 /031 W
-----071625Z 055146 /42

R 071155Z MAR 77
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 7436
USDOC WASHDC
AMEMBASSY AMMAN
AMEMBASSY ATHENS
AMEMBASSY ROME
INFO AMEMBASSY ABU DHABI
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY TEHRAN
AMCONSUL DHAHRAN
USINT BAGHDAD

UNCLAS KUWAIT 1215

ATHENS FOR RTDO; ROME FOR RCAA

E.O. 11652: N/A
TAGS: EAIR KU
SUBJECT: EARLY WARNING: NEW HELICOPTER SERVICES COMPANY

1. GOK IS ACTIVELY CONSIDERING THE ESTABLISHMENT OF A
HELICOPTER SERVICES COMPANY. PROPOSED COMPANY COULD
OFFER SEVERAL TYPES OF HELICOPTER SERVICES, HERE AND
IN NEIGHBORING GULF COUNTRIES: PORT CLEARANCE WORK;
HEAVY CONSTRUCTION; OIL FIELD SERVICES (SURVEY,
TRANSPORT AND SUPPLY TO REMOTE LOCATIONS); PASSENGER
SERVICE BETWEEN KUWAIT AND FAILAKA ISLAND (WHERE A
TOURIST RESORT PROJECT IS NEARING COMPLETION) AND BETWEEN
DOWNTOWN HOTELS AND AIRPORT; SEARCH AND RESCUE, AERIAL
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SURVEY, AND OTHER SERVICES FOR GOK; FILMING AND RECORDING
SERVICES FOR LOCAL AND FOREIGN TELEVISION, AND FILMMAKING.

2. ACCORDING TO ONE OF MAIN ORGANIZERS OF PROJECT, CAPT.
BASSEM SHUHAIBAR DIRECTOR, OPERATIONS DEPARTMENT, KUWAIT
AIRWAYS CORPORATION (KAC), SHARES OF NEW COMPANY (ALSO
BEING PROMOTED BY FOUR KUWAITI INVESTORS) WOULD BE SOLD

ONLY TO GOK, BANKING AND OTHER FINANCIAL INSTITUTIONS, AND DOMESTIC AND FOREIGN TRANSPORTATION-RELATED COMPANIES (LATTER CATEGORY INCLUDES KAC). (THIS ACCORDING TO PRESS REPORTS, IS TO SPARE COMPANY FROM PRESSURES FROM INDIVIDUAL SHAREHOLDERS AND FROM CHARGES OF FAVORITISM.) SHUHAIBAR ALSO SAID THAT COMPANY HAS TENTATIVE APPROVAL OF GOK PRIME MINISTER, WHO, REPORTEDLY, IS "ENTHUSIASTIC" ABOUT PROJECT. FINAL APPROVAL IS EXPECTED SHORTLY.

3. COMPANY ORGANIZERS HAVE HIRED A U.S. INVESTMENT FIRM, FIRST BOSTON CORPORATION, TO SECURE SERVICES OF AN AVIATION CONSULTING FIRM. CONSULTANT, WHO AS YET HAS NOT BEEN CHOSEN, WOULD UNDERTAKE FEASIBILITY STUDY OF PROPOSED COMPANY, ON THE BASIS OF WHICH ORGANIZERS WOULD DECIDE ON SCOPE AND SIZE OF COMPANY NEEDED, EQUIPMENT AND SERVICES, ETC.

4. COMMENT: HELICOPTER REPS WHO HAVE VISITED HERE IN THE PAST HAVE INDICATED THAT KUWAIT IS NOT IDEAL HELICOPTER MARKET SINCE LACK OF ROUGH TERRAIN LIMITS NEED FOR HELICOPTERS IN OIL SERVICES FIELD, HITHERTO THE PRIMARY HELICOPTER APPLICATION IN REGION. (SHUHAIBAR ACKNOWLEDGED THIS LIMITATION, BUT WAS OPTIMISTIC ABOUT PROJECT'S VIABILITY.) USE OF HELICOPTERS FOR PORT CONGESTION, A LA JIDDA, MOREOVER, MAY BE LIMITED; PRIMARY PROBLEM AT SHUWEIKH IS POOR STORAGE PROCEDURES, NOW IN THE PROCESS OF BEING IMPROVED. OTHER SUGGESTED USES FOR HELICOPTERS PARTICULARLY PASSENGER TRAFFIC APPLICATIONS INDICATE POSSIBLE KUWAIT MARKET FOR HELICOPTERS MAY BE QUITE UNCLASSIFIED

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SOPHISTICATED. DEPENDING ON OUTCOME OF PROPOSED FEASIBILITY STUDY, NEW COMPANY COULD PROVIDE IMPORTANT SALES OPPORTUNITIES FOR US HELICOPTER AND AVIATION CONSULTANCY FIRMS.

5. ACTION REQUESTED: FOR USDOC AND RTDO ATHENS: PLEASE PUBLICIZE ABOVE TRADE OPPORTUNITY TO APPROPRIATE US FIRMS, WITH CAVEAT ABOUT TENTATIVE NATURE OF PROPOSED COMPANY, AND NEED FOR FEASIBILITY STUDIES BEFORE GO-AHEAD IS MADE ON PURCHASES ETC. FIRMS SHOULD BE ADVISED TO CONTACT FOLLOWING: R.F. BUTLER, VICE PRESIDENT, FIRST BOSTON CORPORATION A.G., ATHENS TOWER BLDG. "B" SUITE 401, 2 MESSOGHION AVE. ATHENS 610 (TEL. 7783887; 7786069).

6. FOR ROME: RCAA REQUESTED PASS ABOVE TO JAMES A. FELITON, INTERNATIONAL DIRECTOR, HELICOPTERS, BOEING INTERNATIONAL S.P.A. VIA GRAMSCI, 24 ROME ITALY (TEL: 3606641).

7. FOR AMMAN; PLEASE PASS ABOVE TO MR. ARTHUR GRAFFLIN,
MIDDLE EAST AREA DIRECTOR, UNITED TECHNOLOGIES,
JABAL AMMAN OFFICE, SECOND CIRCLE.
MAESTRONE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: HELICOPTERS, ESTABLISHMENT OF OFFICES, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KUWAIT01215
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770077-1142
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770387/aaaacyiv.tel
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Original Previous Classification: n/a
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TAGS: EAIR, KU
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